

CFAP ASSISTANCE

Farmers may begin applying for direct payments as part of the Coronavirus Food Assistance Program (CFAP) through their local Farm Service Agency (FSA) office on May 26, President Donald Trump announced Tuesday. Producers can expect payment one week after application, he explained.

CFAP was first announced April 17 by Secretary of Agriculture Sonny Perdue. In total, the two-part aid package offers \$19 billion in support for agriculture. Part one is \$16 billion dedicated to direct payments to farmers who face pandemic-related losses. The remaining \$3 billion is being used to purchase produce, dairy, and protein products for food banks and other nonprofits for distribution to those in need.

WHAT COMMODITIES ARE ELIGIBLE FOR CFAP ASSISTANCE?

Producers of agricultural commodities who have suffered a 5% or greater price decline or had losses due to market supply chain disruptions because of the new coronavirus are eligible. Crops are categorized as non-specialty crops, wool, livestock, dairy, or specialty crops, and each has its own payment structure.

WHAT CROPS ARE ELIGIBLE FOR CFAP ASSISTANCE?		
Durum wheat	Lemons	Celery
Hard red spring wheat	Oranges	Sweet corn
Wool	Papayas	Cucumbers
Cattle	Peaches	Eggplant
Hogs	Pears	Garlic
Sheep (lambs and yearlings only)	Raspberries	Iceberg lettuce
Dairy	Strawberries	Romaine lettuce
Apples	Tangerines	Dry onions
Avocados	Tomatoes	Green onions
Blueberries	Watermelons	Peppers
Cantaloupe	Artichokes	Potatoes
Grapefruit	Asparagus	Rhubarb
Kiwifruit	Broccoli	Spinach
Taro	Cabbage	Squash
Almonds	Carrots	Sweet potatoes
Pecans	Cauliflower	Walnuts
Beans	Mushrooms	

WHAT CROPS ARE NOT ELIGIBLE FOR CFAP SUPPORT?

Sheep more than two years old	White wheat	Alfalfa
Eggs/layers	Rice	Forage crops
Soft red winter wheat	Flax	Hemp
Hard red winter wheat	Rye	Tobacco
Extra Long Staple (ELS) cotton	Peanuts	Feed barley

However, for all commodities except hemp and tobacco, USDA may reconsider if credible evidence is provided that supports a 5% price decline.

WHAT DOES CFAP MEAN FOR FARMERS OF NONSPECIALTY CROPS LIKE CORN AND SOYBEANS?

Farmers who grow non-specialty crops such as corn and soybeans can apply for direct payments beginning May 26, 2020. Crops intended for grazing are not eligible.

One payment will be made based on 50% of the farmer's total 2019 production, or the 2019 inventory as of January 15, 2020, whichever is smaller, multiplied by the commodity's applicable payment rates.

Be ready to provide the following information when you apply for CFAP:

- Total 2019 production for the commodity that suffered a 5% or greater price decline
- Total 2019 production that was not sold as of January 15, 2020

WHAT ARE THE PAYMENT RATES FOR NONSPECIALTY COMMODITIES?

COMMODITY	UNIT OF MEASURE	CARES ACT PAYMENT RATE	CCC PAYMENT RATE
Barley (malting barley only)	bushel	\$0.34	\$0.37
Canola	pound	\$0.01	\$0.01
Corn	bushel	\$0.32	\$0.35
Upland Cotton	pound	\$0.09	\$0.10
Millet	bushel	\$0.31	\$0.34
Oats	bushel	\$0.15	\$0.17

COMMODITY	UNIT OF MEASURE	CARES ACT PAYMENT RATE	CCC PAYMENT RATE
Sorghum	bushel	\$0.30	\$0.32
Soybeans	bushel	\$0.45	\$0.50
Sunflowers	pound	\$0.02	\$0.02
Wheat, Durum	bushel	\$0.19	\$0.20
Wheat, Hard Red Spring	bushel	\$0.18	\$0.20

WHAT DOES CFAP MEAN FOR LIVESTOCK PRODUCERS?

Producers who have an ownership interest in eligible livestock that have suffered a 5% or greater price decline because of coronavirus and face additional significant costs in marketing their animals can apply for direct payments beginning May 26, 2020.

A single payment will be made to livestock producers based on a two-part calculation. Part one is based on the number of livestock sold between January 15 and April 15, 2020 multiplied by the payment rate per head, plus part two, the highest inventory number of livestock between April 16 and May 14, 2020 multiplied by the payment rate per head.

Be ready to provide the following information when you apply for CFAP:

- Totals of eligible livestock, by species and class, between January 15, 2020 and April 15, 2020 of owned inventory as of January 15, 2020, including offspring from that inventory
- Highest inventory of eligible livestock, by species and class, between April 16, 2020, and May 14, 2020

WHAT ARE THE PAYMENT RATES FOR LIVESTOCK?

LIVESTOCK	ELIGIBLE LIVESTOCK	UNIT OF MEASURE	CARES ACT PART 1 PAYMENT RATE	CCC PART 2 PAYMENT RATE
Cattle	Feeder Cattle: <600 lbs.	head	\$102.00	\$33.00

LIVESTOCK	ELIGIBLE LIVESTOCK	UNIT OF MEASURE	CARES ACT PART 1 PAYMENT RATE	CCC PART 2 PAYMENT RATE
	Feeder Cattle: 600+ lbs.	head	\$139.00	\$33.00
	Slaughter Cattle: Fed Cattle	head	\$214.00	\$33.00
	Slaughter Cattle: Mature Cattle	head	\$92.00	\$33.00
	All Other Cattle	head	\$102.00	\$33.00
Hogs and Pigs	Pigs: <120 lbs.	head	\$28.00	\$17.00
	Hogs: 120+ lbs.	head	\$18.00	\$17.00
Lambs and Yearlings	All sheep less than 2 years old	head	\$33.00	\$7.00

WHAT DOES CFAP MEAN FOR DAIRY FARMERS?

All dairy farms with milk production in January, February, and/or March 2020 are eligible for CFAP payments. Any dumped milk production during that time period is eligible for assistance. Any milk production priced under a forward contract for any time during the three-month period is ineligible.

WHAT IS THE PAYMENT RATE FOR DAIRY?

A single payment will be made to dairy farmers based on a two-part calculation. Part one will be based on a producer's certification of milk production for the first quarter of calendar year 2020 multiplied by \$4.71 per hundred weight. The second part of the payment is based on a national adjustment to each producer's production in the first quarter multiplied by \$1.47 per hundred weight.

WHO IS ELIGIBLE FOR CFAP PAYMENTS?

To be eligible for payments a person or legal entity must have an average adjusted gross income of less than \$900,000 for tax years 2015, 2016, and 2017. However, if 75% of their adjusted gross income comes from farming, ranching, or forestry, the \$900,000 limit does not apply.

People and legal entities must also:

- Comply with the provisions of the “Highly Erodible Land and Wetland Conservation” regulations, often called the conservation compliance provisions
- Not have a controlled substance violation
- Foreign people who are in the country legally must meet the "actively engaged in farming" provisions which requires them to provide land, capital, and be actively involved in working on the farm

Participation in the Small Business Administration’s Paycheck Protection Program (PPP) or Economic Injury Disaster Loan program does not impact a farmer’s eligibility for CFAP.

WHAT ARE THE CFAP PAYMENT LIMITATIONS?

CFAP payments are subject to a per-person and legal-entity payment limitation of \$250,000. This limit applies to the total amount of CFAP payments with respect to all eligible commodities.

Special payment limitation rules will be applied to participants that are corporations, limited liability companies, and limited partnerships. These corporate entities may receive up to \$750,000 based upon the number of shareholders (not to exceed three shareholders) who contribute at least 400 hours of active person management or personal active labor.

CORPORATE ENTITY SHAREHOLDERS	PAYMENT LIMIT
1	\$250,000
2	\$500,000 (If at least two members contribute substantial labor or management with respect to the operation of the corporate entity.)
3	\$750,000 (If at least three members contribute substantial labor or management with respect to the operation of the corporate entity.)

HOW WILL CFAP PAYMENTS BE STRUCTURED?

To ensure the availability of funding throughout the application period, producers will receive 80% of their maximum total payment upon approval of the application. The remaining portion of the payment will be paid at a later date as funds remain available.

WHERE DOES THE FUNDING FOR CFAP COME FROM?

The Coronavirus Aid, Relief and Economic Security Act (CARES), the Families First Coronavirus Response Act, and other USDA existing authorities provide the funding and authorities for CFAP.